Contingency plan for crude oil prices

1595. SHRI RAJEEV SHUKLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware of forecasts by international analysts predicting crude oil prices to touch US$ 109 per barrel before the end of 2006;

(b) if so, whether Government have a contigency plan to minimize the effect of surging oil prices;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) From the Energy Information Administration (EIA) reports and the latest Organization of Petroleum Exporting Countries (OPEC) statements, it appears that international oil prices are expected to continue to remain high and even increase in the near future, given the geopolitical pressures particularly in the Middle East region.

(b) to (d) In the context of unprecedented rise in international oil prices, the Government has taken a number of steps to protect the interest of common man. These include:—

- Policy of Equitable burden sharing amongst three stakeholders namely, Government, PSU oil companies and the consumers.
- Of the burden of Rs. 73,500 crores, only 12% passed on to the consumers.
- Prices of kerosene and LPG have not been increased. Only small increase has been made in price of petrol and diesel.
- Central taxes both, excise duty and customs duty on kerosene and LPG have been completely removed and made 'Nil'.
- Customs duty on petrol and diesel reduced to 7.5% from 20% when Government came to power.
- LPG placed under declared goods restricting the states to charging just 4% sales tax.
- Navaratna companies, have been made financially viable so they can, continue to serve the 'common man'.